

passed, there were just 10 earmarks with a total value of \$385 million. In 1987, the bill contained 157 earmarks; and it grew to \$1.4 billion. In 1991, there were 538 earmarks at a cost of \$6 billion; in 1998, 1,800 earmarks at a cost of \$9 billion. This year, there are 2,300 earmarks in the transportation bill that we will be discussing this week.

When that happens, when there are earmarks, it takes away from the high-priority projects that the States have identified and instead puts money toward low-priority projects that are identified by a specific Member of Congress. That is simply wrong to take money from Arizona or California or Texas from that formula to fund an earmark in West Virginia or Alaska or Minnesota or elsewhere. We need to change this process now, and I urge adoption of an amendment which will do that.

#### APPOINTMENT OF CONFEREES ON S. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 95) setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009, with the House amendment thereto, insist on the House amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Iowa?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. THOMPSON OF CALIFORNIA

Mr. THOMPSON of California. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. THOMPSON of California moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the concurrent resolution S. Con. Res. 95 be instructed to agree to the pay-as-you-go enforcement provisions within the scope of the conference regarding direct spending increases and tax cuts in the House and Senate. In complying with this instruction, such managers shall be instructed to recede to the Senate on the provisions contained in section 408 of the Senate concurrent resolution (relating to the pay-as-you-go point of order regarding all legislation increasing the deficit as a result of direct spending increases and tax cuts).

The SPEAKER pro tempore. The gentleman from California (Mr. THOMPSON) will be recognized for 30 minutes, and the gentleman from Iowa (Mr. NUSSLE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Speaker, I yield myself such time as I may consume.

Last week, the House passed a budget resolution for fiscal year 2005. They did

so on a straight party-line vote. But it was the alternative with the strongest budget enforcement provisions, the Blue Dog budget, that got the bipartisan support. Budget enforcement received bipartisan support in the Senate, also. They passed an amendment extending PAYGO rules to both revenue and spending measures with the support of a bipartisan majority.

Common ground, bipartisan ground, can be found on the issue of budget enforcement; and if we are really going to reduce the deficit, bipartisanship is a must.

Spring is a time of March Madness and the basketball tournament. But when it comes to responsible budgeting, I feel like it is baseball season around here.

On March 17, the House Committee on the Budget voted down a PAYGO amendment on a straight party-line vote. Strike one.

On March 24, the House Committee on Rules ruled out of order a PAYGO amendment on a straight party-line vote. Strike two.

And on March 25, the House approved a budget that had no PAYGO rules by a straight party-line vote. Three strikes, and we were out.

When it comes to budget enforcement, the House of Representatives struck out, but, unfortunately, it is our constituents that are the real losers here today. And our constituents understand that deficits impact them directly. They know that a \$477 billion deficit means that we are borrowing money from the Social Security Trust Fund to pay our bills. They understand that a \$7 trillion national debt means that \$50 billion of their hard-earned tax dollars are being sent to other countries every single year in interest payments on that national debt. Our constituents understand that Washington expects them to balance their budgets and to pay their bills. What they do not understand is why Washington does not require the same of ourselves.

Families across America sit down every week to balance their checkbooks. Our government, unfortunately, has not balanced its budget in 3 years. We have maxed out our national credit cards not once but twice; and instead of paying down the debt, we have increased our spending limit on that national credit card.

Today, we can send a clear message that Congress needs to hold itself to the same standards that it holds American families. Congress needs to pay for what it does. It does not matter if it is an increase in spending or a reduction in revenue. If it is important enough to become law, we should be required to pay for it. That is the motion to instruct that is before us today.

The motion instructs the conferees to agree to the strongest possible enforcement rules for all spending increases and tax cut legislation in the House and Senate, and it instructs conferees to adopt the Senate amendment on PAYGO as applied to all legislation that increases the deficit.

Members of the Blue Dog Coalition have been calling for the reinstatement of PAYGO on both revenue and spending since the Budget Enforcement Act expired in 2002. And it is not a partisan concept. As a matter of fact, in its original form, PAYGO was part of a bipartisan budget agreement between the first President Bush and a Democratic Congress. A Democratic President and Congress extended PAYGO in 1993, and a Democratic President and Republican Congress extended it again in 1997.

Members of both parties have long appreciated the PAYGO rules as an enforcement tool that helps Congress achieve and maintain a balanced budget.

Today, I urge Members of both parties to vote yes on this motion to instruct. Such a vote will tell our constituents that this House of Representatives understands that we are not sent here to play games with the budget, but we are sent here to balance the budget. It will say that we are serious about deficit reductions and that we are willing to reach that goal in a bipartisan fashion.

Mr. Speaker, I urge the Members to please vote "yes" on this motion to instruct.

Mr. NUSSLE. Mr. Speaker, I yield myself such time as I may consume.

First of all, I join the gentleman when it comes to paying for things as we go. Every family, as the gentleman from California said, has to pay for things as they go. When they have a bill come in from the light company or from the gas company or from the city, from the city office, to pay for the water or the garbage collection, they have got to pay as they go. When we go to the grocery store and buy the milk and buy the bread and buy the eggs, we have got to pay as we go.

Spending should be paid as we go. There is no question about that. There is bipartisan agreement, I think, for that. Spending should be paid for. It is an important concept. And the gentleman spoke about the outrages of government on the spending side.

But the argument gets a little bit fuzzy when we start talking about the income side or the revenue side. The gentleman wants budget enforcement. He has got a partner over here in the Committee on the Budget chairman. I certainly want and expect that we will have budget enforcement and an opportunity for Members to vote on budget enforcement this year. In fact, we passed a bill out of the Committee on the Budget together with the budget that was for the purpose of enforcement. When we pass a spending plan, we ought to enforce it so that there are not increases in spending.

Unfortunately, the Spending Control Act that the gentleman supports and that I support and that I think we have bipartisan agreement on supporting has been murkied. There has been some murkiness applied to it. Because now, all of a sudden, people want to apply the same controls on spending over on

the tax cut side. And why do they want to do that? Because they do not support tax cuts, pure and simple.

If one comes to the floor today and they vote for this, it basically tells all of us that they do not support reducing the tax burden on Americans.

It would be one thing if for some reason the Federal Government was running out of taxes. I mean, if we came here today learning for the first time that the government was running out of money for some reason or another, that there were not taxes coming into the Federal Treasury, then I could see why people might be nervous and might say we ought to apply some kind of concern or more controls on the tax reform side of the debate. But, unfortunately, this is an arbitrary decision that comes in that sets yet again another 60-vote point of order on a Senate which already has the ability to enforce reduction in taxes with a 60-vote point of order, meaning that the way this bill or this rule would work is if they want to cut taxes in the Senate, they would have to get 60 votes to waive the rule that the gentleman is promoting today.

That is exactly what they would have to do if they wanted to pass a tax cut. So, instead of one vote, what the gentleman wants is two votes. Well, what is wrong with two votes?

The point of it is that why do we want to murky up the debate about controlling spending, about paying for things as we go by having yet another rule that comes in that will be gladly waived by everybody who wants to waive it, which has been cheerfully done time and time again not only in the other body but also in this body. Instead, what we should be doing is we should be controlling spending.

We passed a budget last week that controls that spending side, that says we should begin to pay as we go, but, unfortunately, what this motion does is it says that somehow the government should pay for taxes.

Think about that for a moment. We are coming up on April 15, a lot of people are going to be doing something very interesting about that point in time. They are going to be sending in a check to the Federal Government. And what does that do? It pays for taxes. So who pays for taxes in this country? The American people pay for taxes. How does the government pay for taxes? Seriously, think about that. How does the government pay for taxes? Does the government pay taxes? No. Each of us individually, I presume, pay taxes. I know I am going to be paying my fair share, and I am sure the gentleman from California and many other people who will come down here today will be paying for taxes. But does the government pay for taxes? No.

Now, if they come here today and they say they do not like the Tax Code, again I agree with them. The Tax Code is convoluted. Many of us on our side believe we ought to throw it out and start all over with a new Tax Code. If

they say they want to close loopholes, they should vote for the budget when it comes back. Because loophole closing will be part of that for corporations or for anybody who is trying to take advantage of a loophole within the Tax Code.

So if they do not like the Tax Code, if they do not like loopholes that are in the Tax Code, if they want to control taxes, if they want to use taxes as a way to stimulate investment, stimulate savings, stimulate job creation in this country, then that is something that we should be doing.

But to pay for taxes, there is only one group that pays for taxes, and those are taxpayers. We have an income side, and we have an expense side. The expense side we should pay as we go, but the income side, how do we pay for income as we go? It does not make any sense.

So the entire debate today is not a debate about some responsible decision about paying for tax cuts. It is a direct attempt to eliminate any discussion this year of tax cuts. And if that is what they want to do, if they do not want to cut taxes on the job creators in this country, if they do not want to cut taxes on farmers, if they do not want to allow for married people who were penalized for many years to continue under a regime that allows them to finally not be penalized for their marriage, if they want to continue the tax relief that was provided to families with children, if they want to continue the tax relief to small businesses that create most of the jobs in this country, then they will come down here and say, no, no, no, they are just trying to prevent us from cutting taxes.

□ 1030

It sounds very responsible, "pay-as-you-go." But remember who pays in this country: Taxpayers pay for taxes. The government does not pay for taxes. The government does not pay taxes.

One last thing that I want to say before I turn it back to my friend from California. As I was saying before, it would be one thing if the government was running out of money. If the debate today was, oh, my gosh, somehow tax cuts are irresponsible, because the government is running out of money. You allowed taxpayers to keep so much money that we are running out of money.

But here are the line items, and, since we are in the House, I will include this for the record, this revenue stream from the Congressional Budget Office, so that everyone can see this. But every single year under the budget, including tax relief, the amount of money that comes out here to Washington increases.

You might say to yourself, how is that possible? Do you mean to tell me if we pass tax relief, on the one hand, more money is coming in to the Federal Government? Is this done by magicians?

No, this is called an American economy that is now \$11 trillion and grow-

ing, and when it grows and when it surges, when jobs are created and when people are working and when taxpayers pay taxes, and that is who pays for taxes, more money comes in to the Treasury.

Just listen to this: This year we estimate \$1.8 trillion of taxes will be coming in to the Federal Government; next year it will be \$2 trillion; then \$2.2 trillion; then \$2.35 trillion; then \$2.475 trillion; then \$2.6 trillion.

That is growing by about \$150 billion a year, and that is a net figure. That is including us saying, taxpayers, keep your taxes; married people, keep those taxes you were being penalized; parents with children, keep that extra money for your kids. That includes us saying to small businesses, we do not want all that extra money, we want you to keep your jobs. That includes us saying to all those people, keep your taxes in your pocket. Do not send it out here in the first place, is what we are saying.

Every year more money comes in to the Federal Treasury. Not by JIM NUSSLE's account, not by any of us as Members, partisan or nonpartisan, but by the Congressional Budget Office. The Congressional Budget Office, which has the job of, in a nonpartisan way, looking at all of the statistics and giving us an idea of exactly how this is going to work.

People will come down here and say, do not believe figures 5 years from now. Just take this year to next, a \$200 billion increase in taxes coming in to the Federal Treasury, and we are assuming as part of that that we want to reduce taxes.

Again, the whole point of this is, who pays for taxes? My friends on the other side come rushing down here today with a motion saying the government pays for taxes. That is wrong. There is only one entity in America that pays for taxes, and that is taxpayers. And as taxpayers, they constantly tell us, time and time again, we spend our money more wisely, you should worry about how you spend your money.

Taxes are doing just fine. We are sending more money every year, as I just explained, to the Federal Government. What you need to control is spending. You ought to pay-as-you-go for spending. You ought to make sure that you are paying for that increase in spending. That is where you ought to worry about that, and you ought to control spending in order to accomplish getting back to a balanced budget, which ours does.

Our budget that we passed last week, on a party line vote, unfortunately, does just that. It controls spending, it gets us back to a balanced budget, and it does it by reducing the tax burden on Americans, by a small amount, in order to allow them to keep that money and allow them to spend that money more wisely.

Taxes are paid by taxpayers. Taxes are not paid by the government.

Mr. Speaker, I include for the RECORD the document referred to earlier.

## FISCAL YEAR 2005 BUDGET RESOLUTION—TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
SUMMARY							
Spending:							
Total:							
BA .....	2,338.157	2,410.054	2,479.999	2,613.497	2,744.808	2,881.038	13,129.396
OT .....	2,295.012	2,406.565	2,492.322	2,590.618	2,711.444	2,844.614	13,045.563
On-Budget:							
BA .....	1,952.701	2,009.554	2,069.485	2,189.682	2,306.882	2,426.182	11,001.785
OT .....	1,911.236	2,008.020	2,084.056	2,169.193	2,276.173	2,392.699	10,930.141
Off-Budget:							
BA .....	385.456	400.500	410.514	423.815	437.926	454.856	2,127.611
OT .....	383.776	398.545	408.266	421.425	435.271	451.915	2,115.422
Revenues:							
Total .....	1,817.359	2,028.881	2,220.056	2,350.204	2,475.522	2,609.451	11,684.114
On-budget .....	1,272.787	1,456.452	1,618.994	1,720.721	1,816.661	1,919.701	8,532.529
Off-budget .....	544.572	572.429	601.062	629.483	658.861	689.750	3,151.585
Deficit (–):							
Total .....	–477.653	–377.684	–272.226	–240.414	–235.922	–235.163	–1,361.449
On-budget .....	–638.449	–551.568	–465.062	–448.472	–459.512	–472.998	–2,397.612
Off-budget .....	160.796	173.884	192.796	208.058	223.590	237.835	1,036.163
Debt Held by the Public (end of year) .....	4,386	4,776	5,062	5,315	5,564	5,812	na
Debt Subject to Limit (end of year) .....	7,436	8,088	8,677	9,246	9,827	10,424	na
BY FUNCTION							
National Defense (050):							
BA .....	461.544	419.634	442.400	464.000	486.149	508.369	2,320.552
OT .....	451.125	447.114	439.098	445.927	465.542	487.186	2,284.867
Homeland Security (100):							
BA .....	29.559	34.102	33.548	35.160	36.520	40.420	179.750
OT .....	24.834	29.997	33.298	35.635	36.979	38.401	174.310
International Affairs (150):							
BA .....	43.604	26.529	27.776	27.927	28.077	28.228	138.537
OT .....	29.281	32.848	30.017	26.714	25.323	25.099	140.001
General Science, Space, and Technology (250):							
BA .....	22.822	22.813	22.927	23.042	23.157	23.274	115.213
OT .....	21.897	22.453	22.683	22.743	22.763	22.863	113.505
Energy (270):							
BA .....	2.323	2.863	2.604	2.583	2.629	2.285	12.964
OT .....	0.059	1.201	1.397	1.040	0.662	0.891	5.191
Natural Resources and Environment (300):							
BA .....	32.021	31.212	31.568	31.897	32.101	32.777	159.555
OT .....	30.210	30.868	31.911	32.153	32.128	32.804	159.864
Agriculture (350):							
BA .....	19.908	21.087	23.374	24.278	24.042	24.903	117.684
OT .....	18.434	20.501	22.310	23.199	22.957	23.956	112.923
Commerce and Housing Credit (370):							
Total							
BA .....	14.577	8.692	7.442	6.827	6.405	6.080	35.446
OT .....	10.248	3.682	4.042	1.869	–0.011	–0.760	8.723
On-budget							
BA .....	17.077	10.792	10.242	9.727	9.705	9.580	50.046
OT .....	12.748	5.782	6.842	4.769	3.190	2.740	23.323
Off-budget							
BA .....	–2.500	–2.100	–2.800	–2.900	–3.300	–3.500	–14.600
OT .....	–2.500	–2.100	–2.800	–2.900	–3.300	–3.500	–14.600
Transportation (400):							
BA .....	62.937	64.216	64.311	64.442	64.539	64.638	322.146
OT .....	59.280	62.061	64.287	65.770	66.496	66.998	325.612

Mr. Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Mr. Speaker, I yield myself 15 seconds to respond briefly to my friend.

Mr. Speaker, this motion to instruct is not about tax cuts, it is about balancing the budget. In 1993, when we had PAYGO rules, we passed tax cuts. In 1997, with PAYGO rules, we passed tax cuts. This is merely saying if a bill is important enough to pass, it ought to be important enough to pay for. The American people deserve it.

Mr. Speaker, I yield 5 minutes to my friend, the gentleman from South Carolina (Mr. SPRATT), the distinguished ranking member of the Committee on the Budget.

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, I thank my good friend and fellow colleague on the Committee on the Budget for bringing this motion to instruct to the floor, and I rise to urge support amongst all Members, both sides of the aisle, for this motion to instruct conferees.

What does this motion do? It simply directs the conferees, who will be appointed today, to accept the pay-as-you-go provisions included in the Senate-passed budget resolution, which would make PAYGO applicable to both entitlement spending increases and tax decreases. It would make those steps on either side of the ledger deficit neutral in order to pass.

Let us not forget that we have a deficit this year of \$521 billion, and if you take the President's budget as projected by the Congressional Budget Office, the deficits over the next 10 years will accumulate to \$5.132 trillion. That is why this motion is necessary.

The Senate resolution creates a PAYGO point of order against any tax cut or any entitlement increase that adds to the deficit, the bottom line of the budget. That point of order can only be overridden by the vote of 60 Senators.

The gentleman here says, well, it takes 60 votes because of the filibuster rule to pass anything in the Senate. But there is a way around the filibuster rule in the budget process called reconciliation. If a tax cut is included

in the reconciliation provisions of a budget resolution which is passed by majority vote, by one vote is all that is necessary, then reconciliation can dispense with the 60-vote requirement.

So, in order to have at least 60 Senators stiffen their spines and stand up and say, and I would like to see the same procedures in the House, no, we are not going to commit this act of further increasing the deficit, this rule would apply.

In contrast to the PAYGO provision in the Senate budget, the House budget resolution which we passed last week by a narrow margin contains what I can best describe as a half measure. It is nonbinding language. It endorses a single-edge PAYGO rule, by which I mean it applies only to entitlement spending and not at all to revenues. The one-sided PAYGO rule in the House Resolution would make no effort whatsoever, none, to temper tax cuts, although, since 2001, tax cuts have added four times as much to the deficit, mounting deficit, as entitlement increases have.

Ironically, ironically, this form of PAYGO would also open the way to initiatives that might otherwise be spending entitlements. That is because it could allow them to become law as tax expenditures, put in the Tax Code, called tax cuts, without being offset, and this could actually worsen the deficit and further complicate the Tax Code.

The original PAYGO legislation was part of a budget summit agreement that was reached between the first President Bush and Congress in 1990. That rule was extended in 1993 and 1997 but allowed by Congress and the second President Bush to expire in 2002.

The original PAYGO rule cut both ways. It applied to both revenue decreases and entitlement increases, and it worked, Mr. Speaker, it worked. It was one of the basic steps that we took in a long, arduous journey that moved the government out of mammoth deficits, \$290 billion in 1992, to huge surpluses, \$236 billion in 2000.

The Senate version simply restores the rule to its original form, that is all. In the House Committee on the Budget, the renewal of PAYGO in its original form was explicitly endorsed by none other than the chairman of the Federal Reserve, Mr. Greenspan.

I asked him myself, Mr. Chairman, do you support the restoration of the PAYGO rule in its original form?

He said, absolutely, I do.

I asked, Mr. Chairman, would you apply it to expiring tax provisions?

Yes, sir, I certainly would.

He was unequivocal in his support for it.

So also is the AARP, the Concord Coalition, the Committee For Responsible budget, anybody who is a responsible, informed observer of the budget process, who knows what PAYGO did for the 1990s, it stiffened our spine and helped us put the budget into balance for the first time in 30 years. We need it today more than we did then, because we have, as I said, a deficit of \$521 billion. We have a cumulative deficit over the next 10 years of \$5.136 trillion if you do not include Social Security.

We need the PAYGO rule with both edges applicable today as like never before in both houses, the House and the Senate. If nothing else, if nothing else, this can be the one bold step we take in a budget that otherwise does very little to move us out of deficit.

So I urge everyone, vote for the motion to instruct, vote for PAYGO in its original proven-to-work form, applicable both to entitlement increases and tax decreases, vote for this motion, and reinstate one of the best rules we have ever had for putting the budget in balance.

Mr. NUSSLE. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, we buy and they pay. We buy and taxpayers pay. This is an attempt, in my view, to look for a tax increase. That is what this is about, increasing taxes.

We should not allow the Senate to impose a rule on the House. Sixty votes in the Senate just makes it harder to jump through yet another hoop in the Senate, and then I suppose one 60-vote hoop is more than enough. But we should not allow the Senate to impose those rules on the House.

If we are here to talk about rules of the other body, I could think of some good rules. How about a 51-vote rule for judges? We have got a lot of judges we need to appoint in this country. How about 51 votes? How about a new rule that says for voting on judges, it only takes 51 votes instead of 60?

How about a rule for the other body that says all bills shall be debated for not longer than 100 hours? That would be a pretty good rule. Not for the people watching C-SPAN necessarily, who would have to sit through a 100-hour debate, but do you not think one hour per senator would be enough to debate just about any bill? You would think so.

But, unfortunately, the way it works right now, it is unlimited. They could take up a bill and filibuster it for the rest of their lives, as long as they could stand on their feet.

So, there are a lot of rules that I would like to impose on the other body, if we wanted to talk about imposing rules.

I do not want to have the other body imposing rules on us. If we are serious about budget enforcement, we should pass a law, and that is the reason that we passed a very strong budget enforcement law on spending out of committee at the same time we passed the budget resolution.

That stronger bill is a bill that will be coming to the floor after we come back from the Easter recess, the district work period. It is not just a rule that can be waived, either by the House or by the other body, but it is a rule, it is a law, that is in statute, that actually helps us control spending. If you need to stiffen someone's spine, there is nothing like a law, rather than a rule, which have been traditionally and, unfortunately, waived.

It seems to me that, and parenthetically I would say to my good friend from South Carolina, we do not have a rule within the resolution with regard to spending, pay-as-you-go spending. The House did not pass a similar rule with regard to spending. But we do have a bill that we want to come to the floor after the district work period.

Again, the reason is because we believe on this side that spending is the concern, that is what you pay for, and that is what we should make sure we pay for, not reducing taxes to taxpayers.

Mr. THOMPSON of California. Mr. Speaker, I yield 3 minutes to my distinguished Blue Dog colleague, the gentleman from Hawaii (Mr. CASE).

□ 1045

Mr. CASE. Mr. Speaker, I rise in full and unqualified support of my col-

league from California's motion, a motion that asks this House to do what the Senate, on a bipartisan basis, has already done, a motion that Democrat and Republican Presidents, Democrat and Republican colleagues of Congress have passed; that the conservative Concord Coalition as well as Federal Reserve chair Alan Greenspan supports; a motion that any business, family, or consumer can understand and has to live by and, frankly, a motion that most Republicans in this Chamber would probably love to vote for, if only they could. It is a motion that stands for this basic principle: when you balance a budget, it is not balanced unless and until you balance it all.

Mr. Speaker, what is so hard about PAYGO? Why can my House colleagues on the other side of the aisle, in the party that professes budget discipline, not see what their own colleagues in the Senate see clearly? Is it a failure to understand, is it a failure to agree, or is it a denial of reality?

I cannot believe it is a failure to understand. My own teenage son understands that when he balances his budget, he cannot leave out any part of it. He cannot leave out the spending. He cannot leave out any potential reductions in income. My neighbors and I understand that there is a difference between a budget that has a home mortgage payment in it and a budget that does not. If my wife comes to me tomorrow and says, I am going to be making less next year than I made this year, do I ignore it in my budget calculations? No.

The States understand it. Every State understands PAYGO and practices it. Why? Because they have something that we do not have here: they have a balanced budget requirement. When they have a balanced budget requirement, they have to balance all of their budget.

It cannot be a failure to understand. If it is, we are all in trouble. I would like to believe it is a failure to agree; but then I would like to have a conversation, substantively, about what we do not agree on. No, I think it is a conscious failure to accept reality or, perhaps worse, an attempt to spin, to deceive, to accomplish a result by means other than up front.

Mr. Speaker, this is not about the substance of whether to reduce or increase taxes. This is not about the substance of whether to reduce or increase spending. This is about the consequences of actions. This is about the consequences of whether we reduce or increase taxes. This is about the consequences of reducing or increasing spending.

My colleagues are telling me that there are no consequences of a \$2 trillion aggregate tax cut. That is like saying there are no consequences of increasing our budget by \$2 trillion. Of course there are consequences. Do we want to talk about it in a budget context? Okay, fine. Let us talk about the tax cut. Let us talk about the dynamic

impact. Let us talk about jobs that may or may not be created, income coming in. But let us calculate it, factor it into a balanced budget. That is all this motion does. Let us live within our means and pay as we go.

Mr. NUSSLE. Mr. Speaker, I yield myself 1 minute to respond.

The gentleman used an excellent example about his son; and the next time he has this allowance conversation with his son, because I have a son and I have this conversation once in a while as well, I want the gentleman to tell him that he actually does not get an allowance. He actually pays for an allowance. Is that not interesting? Do we think that would go over very well? I know it would not go over very well with my 13-year-old son. He would not understand how in the world he pays for an allowance. I pay his allowance. The gentleman from Hawaii pays his son's allowance. The taxpayers pay the Federal Government's allowance, called taxes. They pay. We buy, they pay. People should not have to pay for taxes when they have already been paid for by the taxpayers, and that is the whole discussion that we are having here today.

Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. PUTNAM), a member of the Committee on the Budget.

Mr. PUTNAM. Mr. Speaker, I thank the gentleman from Iowa for yielding me this time, as it is a very important debate that we have here today.

The gentleman from Hawaii referred to consequences, and that is important. As a younger Member of the House, I like to view things for the long haul. We talk about the consequences of the decisions that are made here, not just for the next election cycle or the next fiscal year, or to put a Band-Aid on this budget, but the long-term fiscal consequences.

Frankly, I have been encouraged by a great deal of the debate that took place throughout the budget hearings and throughout the debate on the floor, because the positive consequence of this rising Federal deficit has been that we have attracted a good deal more fiscal conservatives to the cause. But the consequences of the Democratic amendments in committee were 28 billion new dollars in new spending. The consequences of the amendments in that markup were nearly 30 billion new dollars added to the Federal deficit, the consequences that would be borne by the next generation of Americans and taxpayers.

This debate centers around core values. Everyone, I think, is coming around to the idea that the deficit is a great, great problem that has to be dealt with. But when we get down into the details, the other team's plan wants to focus on making it more difficult to lower the tax burden on the American citizen, the American entrepreneur, the American homeowner, investor, worker; make it easier to increase the tax burden on that same

group of hard-working, hard-charging, thoughtful, innovative Americans, and not deal with the real issue, which is spending. Nearly two-thirds of the Federal budget now is mandatory spending. It is on auto pilot. The debate, the fights, the arguments, the outstanding eloquent rhetorical discussions that take place on this floor are about over one-third of the Federal budget. That is it.

Our plan and the Spending Control Act, which has the force of law that was marked up in the Committee on the Budget and will be on this floor before Memorial Day, deals with mandatory spending. It deals with the fact that Congress has failed to make some of the tough decisions over the past generations to get their arms around spending; and as a consequence, we have been far outpacing the spending of the American household.

Now is not the time, when we have a dual challenge, the challenge of getting the economy going, putting people back to work, bringing small businesses the opportunity to have a piece of the American dream, now is not the time to make it easier to raise taxes. And for us to adopt as a consequence, for us to adopt the other body's half-baked, cockamamie, crazy schemes to deal with this issue is nuts.

All of us have a difficult time explaining why the other body's rules require us to phase down the death tax on farmers and small businesses and then, boom, miraculously it is reborn 10 years from now in its old, in its old full, former glory of the highest rate possible. All of us have a difficult time explaining why it was such a great idea to end the marriage penalty, but we have to vote on it again this year; otherwise, it comes back, or that the American people will lose the expanded child tax credit. It is because of the other body's cockamamie rules that we do that, and now we want to adopt another one of their cockamamie rules and make it even easier to raise taxes on the American people.

Now is not the time to turn back that clock, Mr. Speaker.

Mr. THOMPSON of California. Mr. Speaker, I yield myself 30 seconds to respond.

Mr. Speaker, first I want to just make sure everybody understands, this does not make it more difficult to raise taxes. This merely makes it honest to raise taxes. My friend from Iowa is correct, taxpayers pay all right. They pay \$1 billion a day in interest on the national debt, \$50 billion a year in interest to countries like China and Japan and the OPEC nations.

When budgets do not balance, taxpayers do pay. That is why we need PAYGO.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I rise in strong support of this motion to instruct the conferees offered by my colleague on the Committee on the Bud-

et, the gentleman from California (Mr. THOMPSON).

We are on the verge of passing a \$2.4 trillion budget with a \$550 billion hole in it. Mr. Speaker, a \$2.4 trillion budget with a \$550 billion hole, showing that it is impossible to finance three wars with three tax cuts and get any other result. It has never been done in history. We are trying to do it now. What do we get for three wars and three tax cuts? A \$550 billion deficit.

This budget by the Republicans perpetuates the President's economic policies of the status quo, failed policies that have led to a jobless economy and a wage recession. Nearly 3 million Americans have lost their jobs since he has been President; 43 million Americans are without health care, of which 33 million Americans work full-time and have no health care; 2 million Americans who, prior to this administration were in the middle class, are now in poverty; and nearly \$1 trillion worth of corporate and individual assets have been foreclosed on in the last 3 years. What do they recommend doing? The same thing: put your foot on the accelerator and see if we can rush forward. And those are the results of the Bush economic policies.

What this PAYGO rule would be, just to be straight about it and not get into the, as some would say, cockamamie, arcane rules of the Congress, what this would do would force this Congress to pay for its policies. That is what this PAYGO rule would do, as cockamamie as it may sound; and it would change the economic direction of this Congress and this administration so we do not have the results of unemployment, lack of health insurance, lack of affordability on college education. That is what this would do.

It is a commonsense approach. It adopts what businesses do, families do, State governments do, and that is pay for the way you go. If you want to pay for more education, you have to do it.

Let me remind everybody, in the 1990s when we created 22 million jobs, poverty was cut in half, health care costs were contained, and we insured more Americans. This was part of that economic strategy that led to the greatest period of economic growth ever in American history. That was a piece, a central piece of the economic strategy. So it is about economic philosophy and strategy, but the results are in: one failed economic policies that have left more people without jobs, without health care, without the ability to afford college education; and one that had the greatest period of economic growth, greatest period of employment, and greatest period of poverty rates in the history of this country.

So that is what this debate is. I urge my colleagues to support the motion of the gentleman from California.

Mr. THOMPSON of California. Mr. Speaker, again, I yield myself such time as I may consume. In 1997, we cut taxes by \$100 billion as part of the Balanced Budget Agreement. This does not

do anything to hamper tax cuts. It just says we have to be honest. We have to pay for them. Pass the tax cuts, but pay for them.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM), the distinguished policy chair of the Blue Dog Coalition.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding me this time. I would again point out, this motion is based on a simple philosophy that when you find yourself in a hole, the first rule is to quit digging. Take the shovels away from Congress and the President.

The budget enforcement rules Congress and the President enacted in 1990 were an important part of getting a handle on the deficits in the early 1990s and getting the budget back into balance. They have been tested and they have worked. There is no question that they significantly improve the responsibility and accountability of the budget process and were instrumental in going from large deficits in the 1980s to surpluses in the 1990s.

The principle of PAYGO, if we want to reduce our revenues or increase our spending, we need to say how we would pay for it within our budget, something all families have to do, because they understand it. If a family wants to give up a second job, they must first cut spending of what the second job is providing income for. That is so simple. Why is it so difficult for the majority to understand that?

If we want to reduce our revenues, we need to say what spending we will do without. If we want to increase spending, we need to say where it will come from. If we want to decrease revenues, where will it come from? If we are truly serious about restoring fiscal discipline, budget rules must apply to all legislation which would increase the deficit, both increased spending or reductions in revenues. All parts of the budget must be on the table.

Applying pay-as-you-go rules to tax cuts do not prevent Congress from passing more tax cuts, just the opposite. All it says is that if we are going to reduce our revenues, we need to reduce our spending by the same amount, just like families do.

□ 1100

Those who want to extend expiring tax cuts or make the tax cuts personal should be willing to put forward the spending cuts or other offsets necessary to pay for them.

My Republican colleagues continue to argue that budget rules should not apply to tax cuts because tax cuts will not increase the deficit. I wish they would actually look at the facts of what is happening.

To paraphrase Will Rogers, it is not what my Republican colleagues, particularly the budget chairman, do not know about the budget, because he knows a lot, that bothers me; it is them knowing so much that ain't so and continuing to come to this floor and saying it.

We have enacted now three tax cuts based on the theory that tax cuts will stimulate the economy and pay for themselves as a result of economic growth, and yet the deficit continues to grow. That is what we are here talking about: the deficit.

The budget written by the gentleman from Iowa (Mr. NUSSLE) that Congress passed last year said that revenues would be \$1.9 trillion in 2004. The President's budget came forward and said \$1.8. That is \$100 billion difference in estimates. That is all we are saying, that what do we do with that \$100 billion? We borrow it. We continue to pass on all of these debt and deficits to our children and grandchildren.

If my Republican colleagues actually mean what they say about controlling spending, they should have no problem with applying pay-as-you-go to tax cuts. Because it would force Congress to control spending when we pass the tax cuts instead of just promising to do so in the future.

The problem is, the actions of my Republican colleagues have not matched their rhetoric. If they match their rhetoric and actions, they will find significant bipartisan support to get our fiscal house back in order. That is what they are not doing. That is why we should support this motion to instruct.

Mr. NUSSLE. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, we borrow it because we keep spending. The gentleman from Texas (Mr. STENHOLM) said, "What happens? It is because we keep spending. We keep spending."

I mean, the gentleman, I know he wants to respond, so let me just get in a couple of other jabs here, too, because he made some good points. But the gentleman said that, just like a family, if they reduce their income, they got to figure out how they are going to make ends meet. I agree with the gentleman.

The difference is, our income is not being reduced. Our income to the Federal Government, which comes from taxpayers who pay the taxes, and I know the gentleman knows that, but I am going to keep stressing it, they are paying more and more and more even with the tax relief that we have provided under this budget being made, as we say around here, permanent, which only means until the Senate figures out some cockamamie rule, as the gentleman from Florida said, that makes them all of a sudden snap back. They are only permanent until the Senate allows them to snap back under their rule.

So that is the problem we have got. We do not want another rule to make them just more difficult to be made permanent.

But, as the gentleman said, if there was less income coming in every year, the gentleman's points would be much stronger. But there is not less income. From this year to next year, first of all, \$1.8 trillion. Next year, it will be \$2 trillion. \$200 billion more will come in

next year than this year, even with the tax relief packaging made permanent.

So why do we keep borrowing? Because we keep spending. That is what this is all about. There are two sides of the ledger. There is an expense side and an income side. We do not pay for the income side. There is no reason for us to pay for the income side. Because that income side comes from taxpayers. The pay-as-you-go is from them.

The gentleman very eloquently said, when you are in a hole, stop digging. And my retort back to the gentleman from Texas (Mr. STENHOLM) is, when you are in a hole, stop digging in the pockets of taxpayers. That is the point that we are trying to make. They pay the taxes. Congress does not need a rule in order to have some kind of mechanism to pay for something we do not pay for.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMPSON of California. Mr. Speaker, I yield 15 seconds to the gentleman from Texas (Mr. STENHOLM) to respond.

Mr. STENHOLM. Mr. Speaker, my friend, the budget chairman, again continues to listen to only part of what I say. The revenue is not meeting the estimates of what he is saying in his budget, therefore, we had to borrow another \$110 billion in order to make up for it because his guesstimates are not, in fact, doing what is being said in this floor.

And spending is not my fault. The majority is the one that is spending all of this money they are talking about. It is time they take the responsibility for their own record on spending. They are spending it, not the minority.

Mr. THOMPSON of California. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. COOPER), a distinguished Blue Dog colleague and member on the Budget Committee.

Mr. COOPER. Mr. Speaker, the last point made by my friend from Texas (Mr. STENHOLM) is entirely true. The House and the Senate have been under Republican control for some time now. The spending that has occurred on their watch exceeds the highest levels previously in American history, exceeded spending rate of growth under LBJ.

It is wrong for them to deny responsibility for the spending surge that has occurred. The Heritage Foundation, the CATO Institute, other conservative Republican think tanks have pointed out the spending explosion has taken place under their watch, under their leadership, with their votes. The vote we are about to cast on the motion to instruct is one of the most important votes that we will cast in this Congress or in many people's careers in this Congress because PAYGO, pay-as-you-go, is one of the most important principles that we have in this body to control spending and to get our deficit under control.

This is not a theory. It has worked and worked well beginning with the

first President Bush through the Clinton administration to tame budget deficits.

But now we are faced with the largest budget deficit in American history. We need that same spending control device. It is not theory. Ask Chairman Greenspan, one of the great economists of our time. He could remember the very day that the previous PAYGO requirement expired, September 30, 2002, because that was a black day in modern American history. It basically told this Congress and the Republican majority, spend as you will.

We need PAYGO back and we need real PAYGO, not fake PAYGO, not play-go, not pretend-as-you-go. We need real PAYGO, the way our bipartisan Senate has passed it, so that we can get our budget deficit under control.

This is a kitchen-table issue. People back home understand it. I am happy to defend this in any civic club in America, because small business men and women, they understand they have to pay their bills. One has to pay their bills. They cannot understand why this Congress gets so wrapped up in some sort of ideology or something we forget to pay our bills, and that is why we have the largest budget deficit in American history going on today under Republican leadership.

We have to have PAYGO. It should have been passed in the budget last week. It was not. This is a chance to try to correct that mistake.

So I would urge my colleagues, men and women of goodwill on both sides of the aisle, to set partisanship aside, to think common sense again, to think kitchen table, to follow the advice of Alan Greenspan, to follow the leadership of the bipartisan Senate vote on this issue and have real PAYGO again. Pay as you go so that we will not increase our deficit anymore.

As my friend, the gentleman from Texas (Mr. STENHOLM) said, we will stop digging the hole that we are in. It is already \$521 billion deep. It is not just a 1-year hole. We are facing such a massive structural budget deficit that the President's own budget as submitted to this Congress said that the current path we are on is unsustainable.

Mr. THOMPSON of California. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. TURNER), our Blue Dog colleague.

Mr. TURNER of Texas. Mr. Speaker, we are on this floor today trying to get our financial house back in order, trying to get this House to adopt a very simple, straightforward rule requiring us to pay as we go that has already been adopted by the Senate.

And it is really hard for me to understand why our Republican colleagues do not want to do this. I always thought they were the party of fiscal conservatism. They always wanted to balance a budget. Yet now they come to the floor and claim that the only remedy here is to cut spending when,

in fact, they control both Houses of the Congress and they control the White House. So if they think that is the answer, why do not they get on with it?

We just simply believe that you have got to run the Congress and the Federal Government like we do any household or any business. We have got to pay our bills. We have got to pay as we go. And why do we think that is so important? We think it is important because next year it is projected we will have the largest Federal deficit in the history of this country, over half a trillion.

We are going to come to this floor, and we are going to vote on 13 appropriations bills as we do every year to fund this government, and we are going to borrow 60 percent of that total of those 13 appropriations bills. One could not get by with that at home. One could not get by with that in their business. One cannot get by with it at city government, county government, State government. Why do they think we can do it here in Washington?

My colleagues act like it just does not matter anymore, that somehow they can just say it is all going to work out when they presented a budget that never even purports to get back into balance.

And deficits do matter. They are making this country weaker. How can we defend against terrorism if we do not have any cushion to fall back on financially? How can we expect to get this economy going again and how can we expect to avoid the high interest rates that everyone projects in the future that will be contributed to by the fact that the Federal Government is borrowing all these billions of dollars?

Deficits do matter. That is a simple rule adopted by the Senate to try to impose a little discipline on this Congress, on this House. And the truth of the matter is, if you vote with us, the Committee on Rules majority can waive this rule any time they get ready and my colleagues can do whatever they want to out here.

All we are trying to do is send a clear message that this Congress and the fiscal conservatives in this Congress believe we need to get back to balancing our budget, paying as we go, and recognizing that deficits do matter because they make this country weaker, they make us have an inability to have a strong economy, they make it impossible for us to be able to have a strong national defense.

And it is morally irresponsible to pass on debts created by this generation to the next generation. We have got soldiers today in Iraq fighting for this country that are going to come home and enter the private sector and get to pay the bills for the war that they are fighting that we refuse to pay for.

There has never been a war in the history of our country where the American people did not step forward and pay the bills for the war. This is the first. We want fiscal discipline. We believe it is important for this country.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds to respond.

Mr. Speaker, first and foremost, let me say to the gentleman from Texas (Mr. TURNER) there is not a Member on this side that is refusing to pay for the bill for the war. And if we want to roll out the record votes in not only this body but also the other body for who paid for our men and women over in the field, I will be glad to do that. Because there will be a very interesting name that is left off the list. He happens to be running for President right now.

The second thing the gentleman said is that we have to pay our bills, and we agree. Who gets the bill for taxes? Taxpayers get the bill for taxes. They pay the taxes. Nobody else.

Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. PORTMAN), a member of the Committee on the Budget.

Mr. PORTMAN. Mr. Speaker, I thank my friend, the gentleman from Iowa (Mr. NUSSLE), the Committee on the Budget chairman, for bringing forward a budget that this House could support which does, in fact, get spending under control and does grow the economy.

And let me respond briefly to my friend from Texas who just spoke and my friend from Tennessee who spoke before that about spending. Because they seem to be saying that somehow the Republicans do not care about deficits, do not care about spending. Nothing could be further from the truth.

Let us talk about the truth. The Democratic substitute, which my friends on the other side of the aisle voted for, has not less spending, it has more spending. In fact, in 2005 alone it has \$21.6 billion more spending. Over 5 years, it has \$135 billion more spending. And that is more spending on education, they want more spending on the environment, they want more spending on health care, they want more spending on science, they want more spending on homeland security, they want more spending on international commitments. More spending, not less spending.

Now, they will say in response, well, we pay for our spending. How do they pay for it? By raising taxes. And who do they raise taxes on? They raise taxes on what they say are the wealthy. Turns out a lot of the wealthy are small businesses. Because most small businesses in this country pay their taxes through the individual tax system. Therefore, you are not an entrepreneur. You are an innovator. You are the person out there creating jobs. Because most jobs are created by small businesses, you are going to get taxed for more spending.

Now, I know people do not like to hear the tax and spend characterization, but that is what it is. It is more spending, and it is more taxes. And all the budget enforcement in the world is not going to help if you take this approach of more taxes and more spending. That is what they have chosen to



take. That is the honest truth. That is the difference that we are talking about here.

Now the question is, how should we enforce whatever budget we think is right? We think there ought to be less spending, and we think there ought to be a continuation of the tax relief. And, incidentally, we think that for a very simple reason, because we know when we look back at history the only way to get the deficit under control is by growing the economy and restraining spending.

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That is exactly what the gentleman from Iowa (Chairman NUSSLE) has rolled out in his budget that this House has supported. It is the only way it works.

In 1997 we learned that. On a bipartisan basis we stood together and said we are going to get this budget under control. We said we will get it under control within 5 or 6 years, by 2001 or 2002. It happened in 2 years. Why? Because the economy grew.

Getting the economy to grow is absolutely the reason we put the tax relief in place in the first place and it is working. We had the fastest economic growth in the last 6 months in the most recent data we have than we had in 20 years. Jobs are coming back, not as fast as we would like; but jobs are coming back as we see the economy is growing. It is working.

Why would we want to at this point go back to raising taxes just as things are beginning to turn around, as we are getting the economy back on its feet? As the economy grows and as you keep spending under control, you get the deficit down. It is a very simple calculation. It happens to be one that works, and we know it works.

I would just like to say, with regard to the concerns about then how do we enforce the budget, and I have explained why I think our budget is better than the approach that my friends on the other side of the aisle have proposed, how do you enforce it, absolutely we should enforce it. I am all for PAYGO, as are the Members of my side of the aisle; and we have a commitment, as my colleagues know, from our leadership to bring a PAYGO bill, meaning you pay for spending as you go, before Memorial Day. We will do that, and that is very important. If you do not have a budget, though, you have nothing to enforce.

What we are saying is we ought to have a budget that allows the economic growth to continue, that restrains spending and then put in place the PAYGO rules.

They would like to have PAYGO rules include taxes. I would ask my colleagues, let us say a few years from now we go into another economic slump, as this President inherited from his predecessor. Would we not want to be able to put in place pro-growth tax relief as we have done three times in the last 3 years? I think we should be

able to do that. I think we should be able to do that in a way that indicates that tax relief, appropriate tax relief is the way we grow the economy. So we need to be very careful not to equate spending and taxes.

I commend, again, my friend, the gentleman from Iowa (Mr. NUSSLE), for a great budget; and I commend him for encouraging our leadership to bring a PAYGO provision to the floor which will happen before Memorial Day.

Mr. THOMPSON of California. Mr. Speaker, I briefly yield 15 seconds to the gentleman from Texas (Mr. TURNER), ranking member of the Select Committee on Homeland Security, to respond to some comments that were made regarding national defense.

Mr. TURNER of Texas. Mr. Speaker, I want to respond to the chairman of the Committee on the Budget's comments.

We simply looked at our budget today, and we see that if we take all nondiscretionary spending that we are going to vote on in the 13 appropriations bills and we just eliminate all nondefense homeland security, we are not paying for the defense of homeland security portion of our budget. That is how bad a shape we are in.

So I would say it is fair to say we are not paying for defense, we are not paying for the conflicts that we are facing.

Mr. THOMPSON of California. Mr. Speaker, I yield 15 seconds to the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, in the Democratic budget resolution, let me remind the gentleman, we incur a lower deficit than their resolution. Every year for 10 years, we incur \$1.2 trillion less debt than the President's resolution, and we merely bring spending back to baseline so that we can restore what is needed for priorities like education and veterans health care.

Mr. THOMPSON of California. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from California (Mr. THOMPSON) has 4½ minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has 3½ minutes remaining. The gentleman from California has the right to close.

Mr. THOMPSON of California. Mr. Speaker, I yield 2½ minutes to the gentleman from North Carolina (Mr. PRICE).

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Speaker, this chart tells an important story about pay-as-you-go rules, about the importance of the real pay-as-you-go rule that was adopted as part of the bipartisan budget agreement in 1990 and the folly, as our budget goes back into deep deficits, of adopting a phony pay-as-you-go rule going forward.

Members who were here in the 1980s remember the well-intentioned, but in-

effectual, Gramm-Rudman-Hollings procedures, where there was rampant gaming of the budget process, all kinds of rosy scenarios that ultimately failed to mask rising deficits.

Finally, in 1990, the first President Bush—who, unlike the present President Bush, understood the first rule of holes, which is if you are in one, stop digging—the first President Bush joined with the then-Democratic congressional leadership to conclude a courageous 1990 budget agreement which put the pay-as-you-go rule in effect. That proved to be very hard to game. It proved to be effective, along with the statutory caps on discretionary spending. And so, along with the 1993 Clinton budget plan passed with Democratic votes alone, the two budget plans, 1990 and 1993, with tough pay-as-you-go rules, produced the reduced deficits throughout the 1990s and actually took us into surpluses, now only a fond memory, surpluses that enabled us to pay off almost \$500 billion of the national debt.

In 1997, we concluded another bipartisan budget agreement. Our friend, the chairman of the Committee on the Budget, was one of 219 Republicans who voted for the renewal of the 1990 pay-as-you-go rule, a real pay-as-you-go rule, the one that they now disparage.

We are now going back into deep deficits. What an inopportune time, not only to let the pay-as-you-go rule expire, which our friends on the other side of the aisle did a couple of years ago, but now to propose a defective rule that has no promise for getting ahold of this situation!

It is like trying to fill a bucket with water when there is a hole in that bucket. We can simply not balance the budget with constraint on the entitlement side alone.

Our friend Mr. NUSSLE has talked about the revenues that are going to be coming in future years. What he did not mention was the revenue picture from 2000 to the present, where we have each year had reduced revenues coming in, the price of tax cuts that were not paid for.

So we need a real pay-as-you-go rule that follows the formula that worked so well in the 1990s. The Republican proposal is a sham, and I urge my colleagues to vote for the motion to instruct.

Mr. NUSSLE. Mr. Speaker, could I inquire how much time is left.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. NUSSLE) has 3½ minutes remaining. The gentleman from California (Mr. THOMPSON) has 2½ minutes remaining.

Mr. NUSSLE. Mr. Speaker, I would say to my friend from California, I have no other speakers; and I am prepared to close if the gentleman is.

Mr. THOMPSON of California. We are prepared to close.

Mr. NUSSLE. Mr. Speaker, I yield myself the balance of the time.

There was a gentleman earlier who indicated that this may be the most



important, the most important vote in a congressional career. I have to say to the gentleman, I doubt it. This is a motion to instruct conferees. The conferees were just appointed, and it is what we refer to around here as a non-binding resolution. Okay. I think we probably have had a few other votes that are more important than a non-binding resolution to tell conferees to do something in the other body and apply a rule to our body, but I will play along just for the sake of the debate because I think it is an important debate, even though it may not be the most important vote.

Our friends on the other side have, as I said, during the budget they have learned the words of fiscal responsibility, but they have not yet learned the music. The words are real easy to say. When you are in a hole stop digging. Well, of course, when you are in a hole stop digging, but stop digging in the pockets of the American people for more of their money so that you can keep digging, which is exactly what they did.

They presented a budget alternative on the floor that kept digging, and what did they do in order to stop the digging? They were digging in the pockets of the American people for more of their money called taxes. Why do they do that? Because they know who pays taxes. We do not pay taxes. The Federal Government does not pay taxes. The Congress, as a body, pays taxes individually but not the Congress, the House of Representatives or the other body. The only people in this country that pay taxes are taxpayers, and so when we apply a pay-as-you-go and increase spending, guess who pays. We go and they pay. We buy and they pay. All the time, more spending, they pay.

The second thing the gentleman from other side said, well, you have got to pay your bills. We agree and we will be bringing a bill to the floor that says you should pay your bills. Now you should not have to bring a law to the floor that says pay your bills. I would agree with the gentlemen on the other side that have said we have lost that discipline and we need to get that back on the spending side. There is no question, and we will do that; and we will have a debate on spending and paying your bills, and we should have that debate. But who gets the tax bill?

When a bill is presented, you pay it. Who is presented the bill for taxes? The taxpayers, that is who pays. So by saying we should have pay-as-you-go for taxes, my colleagues are basically saying we want to take more money from the American people.

We have heard about children's allowances. I want my colleagues to apply this principle to their kids and actually go to them and say, guess what, Johnny, you did not know this, but you pay for your own allowance. I mean, that is not only a head scratcher for them, but if a family was faced with this, we have heard a lot about families

and kitchen tables today. If a family found out that the amount of money they were bringing in was increasing, all right, every year, their income, what would they do in order to deal with the hole that they were in? They would tighten their belt, and this is exactly what we have done. They would not say, all of the sudden, let us pay for an increase in taxes by some offsetting income. That is a goofy rule.

You pay for taxes as a taxpayer, not as the government. The government pays for spending. That is where the rules should apply. Let us vote down this motion to instruct.

Mr. THOMPSON of California. Mr. Speaker, I yield myself the balance of the time.

This has been a very interesting and very telling debate. It has been a debate about paying our bills. Unfortunately, our colleagues across the aisle have tried to make this into some bogeyman about tax cuts, and there is nothing, nothing that could be further from the truth.

This is about balancing our budget and paying for what we spend. My friend from Iowa's constituents in his district and my constituents on the north coast, if they go in to get a farm loan or a car loan or a home mortgage loan, the bank looks at both their spending patterns and their revenue source. That is because they understand that the difference between spending and revenue is the deficit, something we all agree we have to get under control.

The chairman and the gentleman from Ohio (Mr. PORTMAN) understood this, too, back in 1997 when they joined 217 other Republicans to vote for a measure that put PAYGO in place; and I might add that PAYGO that they voted for in 1997 was actually stronger than the language that we are voting on today. It was statutory and they voted on a measure with Democrats, bipartisan measure, that passed a \$100 billion tax cut as part of that budget agreement.

I would be interested in knowing what has changed today other than the fact that our deficit and our debt is much higher than it was back then.

Mr. Speaker, if this Congress is serious about deficit reduction, this Congress needs to stand together, and we need to vote to support the PAYGO rules that apply to both revenue and spending. Our constituents today deserve it, and future generations deserve it. I urge my colleagues to vote "yes" on this motion to instruct.

Mr. MICHAUD. Mr. Speaker, the motion before the House today is very simple. The question is: Do we want to pay for spending and tax cuts or do we want to pass this burden off on our children?

Will we run the government like there is no limit to our debts or will we act responsibly, and work to balance our books?

The other body has passed responsible pay as you go rules thanks to bipartisan support, especially from the delegation representing my home State of Maine.

The State of Maine is full of small business owners, farmers, and fisherman—working families that must balance their own books.

Before my time here, I spent 22 years in the Maine Legislature. We always worked together in a bipartisan way to pass balanced budgets.

Pay as you go budget rules should allow us the opportunity to work in that same bipartisan way here in Washington.

Nearly all of us can agree that we need to return the budget to balance. The American people know, and we know that we cannot run deficits in excess of \$230 billion year after year.

The best way that we can do this is to make sure that any policy that would increase the deficit is paid for.

The American people want to run our own government responsibly.

I urge my colleagues in both parties to pass this motion and show the American people that we will work to balance the books.

The SPEAKER pro tempore. All time for debate has expired.

Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from California (Mr. THOMPSON).

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. THOMPSON of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

#### THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. NUSSLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

This vote will be followed by a 5-minute vote on the motion to instruct conferees on Senate Concurrent Resolution 95.

The vote was taken by electronic device, and there were—yeas 353, nays 55, answered "present" 1, not voting 24, as follows:

[Roll No. 96]

YEAS—353

Abercrombie  
Aderholt

Akin  
Alexander

Allen  
Andrews